UNITED NATIONS **TD**

United Nations Conference on Trade and Development

Distr.
GENERAL

TD/B/COM.3/33
28 December 2000

Original : ENGLISH

TRADE AND DEVELOPMENT BOARD
Commission on Enterprise, Business Facilitation and Development
Fifth session
Geneva, 22-26 January 2001
Item 2 of the provisional agenda

PROVISIONAL AGENDA AND ANNOTATIONS

I. PROVISIONAL AGENDA

1. Election of officers

2. Adoption of the agenda and organization of work

3. Enhancing the competitiveness of SMEs in the context of FDI in developing countries: Relationships between SMEs and TNCs to ensure the competitiveness of SMEs

4. Capacity-building in electronic commerce: impact of the new economy on traditional sectors of developing economies: Electronic commerce and tourism

5. Human resources development and training in trade-supporting services: Key to growth with special potential for LDCs

6. Provisional agenda for the sixth session of the Commission

7. Other business

8. Adoption of the report of Commission to the Trade and Development Board

GE. * 0 0 0 0 0 5 3 5 2 3 * LS
ENG

II. ANNOTATIONS TO THE PROVISIONAL AGENDA

1. The Conference, at its tenth session, held from 12 to 19 February 2000 in Bangkok (Thailand), in considering the issue of UNCTAD's intergovernmental machinery, welcomed the document prepared by the UNCTAD secretariat entitled "Improving the functioning and the structure of the intergovernmental machinery of UNCTAD" (reissued in TD/B/EX(24)/L.1). The purpose behind the recommendations contained in that document was *inter alia* to enhance the status of the Commissions as policy-formulating organs and to strengthen the substantive linkages between expert meetings and Commissions. It was recommended that the Commission's work should be informed by the technical advice of the experts, that the Commissions should place the results of expert meetings within the appropriate policy context and framework, and that, on the basis of the expert reports and their own policy dialogue, the Commissions should make recommendations on actions to be taken by member States, UNCTAD or other bodies.

2. To this end, the Commission will have before it the reports of the expert meetings held during the previous months, as well as documentation prepared by the secretariat identifying, and commenting on, the policy questions posed by the expert reports for discussion by the Commission. In this connection, the outcomes of the expert meetings were circulated by the secretariat to member States with a request for policy comments on the experts' recommendations. The task of the Commission is to conduct policy dialogue and make policy recommendations on the outcome of the expert meetings, taking into account the views from the capitals.

Item 1 - Election of officers

3. In accordance with rule 18 of the rules of procedure of the main Committees of the Trade and Development Board, the Commission shall elect a Chairman, five Vice-Chairmen and a Rapporteur from among the representatives of its members, taking into account the need to ensure equitable geographical distribution. Rule 19 of the rules of procedure states that the bureau of the Commission shall consist of seven members (i.e. four members from Lists A and C combined, two members from List B and one member from List D referred to in the annex to General Assembly resolution 1995 (XIX) as amended).

4. Accordingly, following the cycle of rotation established after UNCTAD X, the bureau for the fifth session of the Commission shall be as follows: Chairman from List D Rapporteur from List A (Africa); and five Vice-Chairmen (3 from lists A and C combined, and 2 from List B).

Item 2 - Adoption of the agenda and organization of work

5. The substantive agenda items for the fifth session of the Commission, as reproduced in the provisional agenda in section I above were agreed to at consultations of the President of the Trade and Development Board with the Bureau, coordinators and interested delegations on 31 March 2000.

Organization of work

6. The Commission will have five working days, from 22 to 26 January 2001, to complete its work. The first plenary meeting, on Monday, 22 January, will consist of the opening and formal introduction of item 3. It is suggested that the rest of Monday, 22 January, and Tuesday, 23 January, be devoted to informal discussions on item 3 of the provisional agenda.

7. On Wednesday, 24 January, it is suggested that the Commission start consideration of item 4 of the provisional agenda. The consideration of this item, in both formal and informal settings, would continue until the end of the afternoon session of Wednesday, 24 January.

8. It is further suggested that consideration of item 5 of the provisional agenda would commence on Thursday, 25 January and would continue during the afternoon session. The remaining time of the afternoon session of Thursday and, if necessary, part of the morning of Friday, 26 January, will be devoted to discussing the outcome of the session.

Documentation

TD/B/COM.3/33 Provisional agenda and annotations

Item 3 - Enhancing the competitiveness of SMEs in the context of FDI in developing countries: Relationships between SMEs and TNCs to ensure the competitiveness of SMEs

9. With a view to expediting substantive discussions at the Commission's session, the secretariat has prepared two reports entitled: (i) "Enhancing the competitiveness of SMEs in the context of FDI in developing countries" (TD/B/COM.3/32) (ii) "Relationships between SMEs and TNCs to ensure the competitiveness of SMEs" - Outcome of the Expert Meeting (TD/B/COM.3/EM.11/L.1.)

10. The issues paper, "Enhancing the competitiveness of SMEs in the context of FDI in Developing Countries", which reviews the current mandates of UNCTAD in the area of enterprise development, is divided into two parts. Part I describes topics currently under consideration for enhancing the competitiveness of small and medium-sized enterprises, particularly through linkages with TNCs. Part II presents three further issues of relevance for SMEs, namely, innovative mechanisms for financing SMEs, policy coherence between national enterprise development strategies and obligations emanating from international commitments, and the digital divide. The purpose of this paper is to assist the Commission in prioritizing its work leading to UNCTAD XI.

11. The Expert Meeting on Relationships between SMEs and TNCs to Ensure the Competitiveness of SMEs was held in Geneva on 27-29 November 2000. The selection of this topic allowed an integration of the analysis and discussion on foreign direct investment (FDI) and building productive capacity via SME growth and development. Approximately 65 experts from capitals and international organizations discussed best practices in deepening the development impact of FDI, particularly through the promotion of specific policies and programmes to promote linkages between TNCs and SMEs. Thirty-five of the experts contributed papers and 19 made formal presentations. The high level of preparedness and interest facilitated the discussions. The results are contained in the report of the Expert Meeting (TD/B/COM.3/EM.11/3).

12. One of the main conclusions was that the survival, growth and competitiveness of SMEs in a globalizing world economy can best be assured through actions undertaken in the context of public/private sector partnerships which include government, TNCs, national business associations and SME support agencies. The experts discussed how the successful experiences of Asia in promoting linkages could be replicated elsewhere and in particular what investment and enterprise policies were most effective. The experts also identified aspects upon which they could not agree for lack of firm evidence or which needed further study. Since this meeting was held in late November, an oral report will be made on any policy comments received from Member States on the expert's recommendation.

Item 4 - Capacity-building in electronic commerce: impact of the new economy on traditional sectors of developing economies: Electronic commerce and Tourism

13. In accordance with the decision made by the executive session of the Trade and Development Board on 12 May 2000, the Expert Meeting on Electronic Commerce and Tourism was held in Geneva on 18-20 September 2000. Approximately 100 experts, representing Governments, NGOs, tourism organizations and enterprises, academicians and information technology experts attended the meeting. The event provided an opportunity for an exchange of experiences and views on a wide range of issues on e-commerce and tourism. The report of the Expert Meeting is contained in document TD/B/COM.3/30 - TD/B/COM.3/EM.9/3. The main recommended activities for UNCTAD's future work in electronic commerce are as follows:

(a) To carry out analytical work, with a view to assessing the impact of e-commerce on development and providing advice on how to maximize the benefits of e-commerce;

(b) To carry out case studies and analysis of fundamental issues in commerce, such as problems of online payments, encryption, electronic signatures and new technologies that can support e-commerce;

(c) To stimulate exchanges of experiences in e-commerce and to disseminate information about those experiences to developing countries;

(d) To promote capacity building in e-commerce;

(e) To promote partnerships along the entire e-commerce chain as a means for supporting the growth of e-commerce in developing countries.

14. In addition, the secretariat has prepared document TD/B/COM.3/35. The document identifies and comments on the policy questions posed by the Expert Meeting, taking into account the policy comments received from member States on the expert's recommendations. It outlines the main underlying reasons why electronic commerce should continue to be a major issue on the development agenda in UNCTAD and elsewhere. It comments on the policy questions arising from the experts' specific recommendations on electronic commerce and tourism. The comments focus on the importance of tourism to developing countries and e-commerce based strategies that they need to adopt in order to realize the opportunities that exist in this sector. Particular attention is given to the critical role of destination marketing organizations (DMOs) and information technology measures that can be taken to promote the growth and effectiveness of the DMOs. It discusses the Experts' recommendations on e-commerce in general, covering issues of infrastructure, local content, online payments, legal and policy issues, consumer protection, protection of privacy, intellectual property rights, encryption and electronic signatures. It concludes by outlining proposals for UNCTAD's future work.

Item 5 - Human resources development and training in trade-supporting services: Key to growth with special potential for LDCs

15. The Commission will examine the conclusions of the Expert Meeting on Human Resources Development and Training in Trade Supporting Services: Key to Growth with Special Potential for LDCs, held in Geneva on 13-15 December 2000. Conclusions reached by Experts cover both policy approaches and practical measures for enhancing development through HRD and training. Many of the practical measures proposed call for joint public/private action and for joint action among bodies in different countries, particularly through networking among countries facing similar situations and through partnerships among establishments of both more and less advanced countries. After considering the significance of these issues for the development process, the Commission may, therefore, wish to identify action to be taken by countries, action to be taken among countries, and further work that may be undertaken by the UNCTAD secretariat and other international bodies.

Item 6 - Provisional agenda for the sixth session of the Commission

16. The Commission will approve the provisional agenda for its sixth session on the basis of in-session documentation.

Item 7 - Other business

Item 8 - Adoption of the report of the Commission to the Trade and Development Board

17. The report of the Commission on its fifth session will be considered by the Trade and Development Board.

- - - - -